

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: North Carolina

4. The State defines undue hardship as follows:

When an heir is dependent on assets in the estate of the deceased for financial support or residence.

5. The following standards and procedures are used by the State for waiving estate recoveries when recovery would cause an undue hardship, and when recovery is not cost-effective:

1. Real or personal property included in the estate is the sole source of income for an heir and the net income derived is below 75% of poverty for the heir and his dependents.
2. Recovery would result in the forced sale of the residence of an heir who lived in the residence for at least 12 months prior to death and who would be unable to obtain alternate residence because his income is below 75% poverty and total assets are below \$2,000.

6. The State defines cost-effective as follows (include methodology/thresholds used to determine cost-effectiveness):

The total assets in the estate are below \$5,000 or the amount of Medicaid payments subject to recovery is less than \$3,000.

7. The State uses the following collection procedures (include specific elements contained in the advance notice requirement, the method for applying for a waiver, hearing and appeals procedures, and time frames involved):

At the time the claim is filed, the administrator of the estate is notified in writing that recovery will be waived when:

- There is a surviving spouse, minor child, or adult child who became disabled prior to age 21 in the home.
- Total assets in the estate are less than \$5,000 or the total Medicaid payments subject to recovery are less than \$3,000.
- Recovery will cause undue or substantial hardship to a surviving heir.

A claim of undue hardship must be made within 90 days of date of notice. A decision will be made within 60 days after the date of a claim for undue hardship. If the heir disagrees, he may further appeal to the office of Administrative Hearings (OAH) within 60 days.

TN No. 96-02

Supersedes

TN No. New

Approval Date

9-28-96

Effective Date 10-01-94

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LIENS AND ADJUSTMENTS OR RECOVERIES

1. The State uses the following process for determining that an institutionalized individual cannot reasonably be expected to be discharged from the medical institution and return home:

Review of documentary evidence (level of care documentation, plan of care, hospital discharge summary, discharge planner's records, or physician's statement) indicates no plans or date for discharge or specific dates that institutional care is needed. When an individual continues to be institutionalized beyond the plans for discharge, it is presumed to be permanent.

2. The following criteria are used for establishing that a permanently institutionalized individual's son or daughter provided care as specified under regulations at 42 CFR S433.36(f):

Not applicable. State does not impose liens.

3. The State defines the terms below as follows:

o estate

Estate includes all real and personal property and other assets included within the individual's estate, as defined by North Carolina State probate law.

o individual's home

Not applicable. State does not impose liens.

o equity interest in the home

Not applicable. State does not impose liens.

o residing in the home for at least one or two years on a continuous basis, and

Not applicable. State does not impose liens.

o lawfully residing.

Not applicable. State does not impose liens.

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